

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 1 be amended to read as follows:

- 1 Page 4, between lines 39 and 40, begin a new paragraph and insert:
2 "SECTION 3. IC 6-1.1-1-3, AS AMENDED BY P.L.291-2001,
3 SECTION 204, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 3. (a) Except as provided in subsection (b) **or**
5 **(c)**, "assessed value" or "assessed valuation" means an amount equal to:
6 (1) for assessment dates before March 1, 2001, thirty-three and
7 one-third percent (33 1/3%) of the true tax value of property; and
8 (2) for assessment dates after February 28, 2001, the true tax
9 value of property.
10 (b) For purposes of calculating a budget, rate, or levy under
11 IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-19, IC 6-1.1-20,
12 IC 21-2-11.5, and IC 21-2-15, "assessed value" or "assessed valuation"
13 does not include the assessed value of tangible property excluded and
14 kept separately on a tax duplicate by a county auditor under
15 ~~IC 6-1.1-17-0.5~~. **IC 6-1.1-17-0.5(b).**
16 **(c) For purposes of calculating a budget, rate, or levy under**
17 **IC 6-1.1-17, IC 6-1.1-18, IC 6-1.1-18.5, IC 6-1.1-19, IC 6-1.1-20,**
18 **IC 21-2-11.5, and IC 21-2-15, "assessed value" or "assessed**
19 **valuation" does not include the amount of a reduction to a taxing**
20 **unit's assessed valuation made by the county auditor under**
21 **IC 6-1.1-17-0.5(d)."**
22 Page 29, line 14, after "IC 6-1.1-17-0.5(b)" delete "." and insert "**or**
23 **IC 6-1.1-17-0.5(d).**"

Page 29, line 20, after "IC 6-1.1-17-0.5(b)" delete "." and insert "**or IC 6-1.1-17-0.5(d).**".

Page 30, between lines 1 and 2, begin a new paragraph and insert:
 "SECTION 19. IC 6-1.1-17-0.5, AS ADDED BY P.L.291-2001, SECTION 206, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) For purposes of this section, "assessed value" has the meaning set forth in IC 6-1.1-1-3(a).

(b) The county auditor may exclude and keep separate on the tax duplicate for taxes payable in a calendar year the assessed value of tangible property that meets the following conditions:

(1) The assessed value of the property is at least nine percent (9%) of the assessed value of all tangible property subject to taxation by a taxing unit (as defined in IC 6-1.1-1-21).

(2) The property is or has been part of a bankruptcy estate that is subject to protection under the federal bankruptcy code.

(3) The owner of the property has discontinued all business operations on the property.

(4) There is a high probability that the taxpayer will not pay property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the property tax liability on the property.

(d) For each taxing unit located in the county, the county auditor may request permission from the department of local government finance to reduce the taxing unit's assessed valuation to enable the taxing unit to absorb the effects of reduced property tax collections resulting from successful assessed valuation appeals. The department may approve a request to reduce a taxing unit's assessed valuation by an amount considered reasonable by the department. A request to reduce a unit's assessed valuation by:

(1) an amount that is less than the average amount needed to pay the unit's share of refunds paid under IC 6-1.1-26 in the three (3) most recent calendar years in which a general reassessment did not take effect, in the case of a year in which a general reassessment does not take effect; or

(2) an amount that is less than the amount needed to pay the unit's share of refunds paid under IC 6-1.1-26 in the most recent calendar year in which a general reassessment took effect, in the case of a year in which a general reassessment takes effect;

is presumed to be reasonable. The county auditor shall keep separately on the tax duplicate the amount of any reductions made under this subsection.

(e) An amount subtracted under subsection (d) may not be

1 **offered as evidence that a particular parcel has been improperly**
 2 **assessed in a proceeding before the county property tax**
 3 **assessment board of appeals, the Indiana board, or the Indiana tax**
 4 **court.**

5 SECTION 20. IC 6-1.1-17-1, AS AMENDED BY P.L.90-2002,
 6 SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 1. (a) On or before August 1 of each year, the
 8 county auditor shall send a certified statement, under the seal of the
 9 board of county commissioners, to the fiscal officer of each political
 10 subdivision of the county and the department of local government
 11 finance. The statement shall contain:

- 12 (1) information concerning the assessed valuation in the political
 13 subdivision for the next calendar year;
- 14 (2) an estimate of the taxes to be distributed to the political
 15 subdivision during the last six (6) months of the current calendar
 16 year;
- 17 (3) the current assessed valuation as shown on the abstract of
 18 charges;
- 19 (4) the average growth in assessed valuation in the political
 20 subdivision over the preceding three (3) budget years, excluding
 21 years in which a general reassessment occurs, determined
 22 according to procedures established by the department of local
 23 government finance;
- 24 **(5) the amount of the political subdivision's assessed**
 25 **valuation subtracted under section 0.5(d) of this chapter; and**
 26 ~~(5)~~ (6) any other information at the disposal of the county auditor
 27 that might affect the assessed value used in the budget adoption
 28 process.

29 (b) The estimate of taxes to be distributed shall be based on:

- 30 (1) the abstract of taxes levied and collectible for the current
 31 calendar year, less any taxes previously distributed for the
 32 calendar year; and
- 33 (2) any other information at the disposal of the county auditor
 34 which might affect the estimate.

35 (c) The fiscal officer of each political subdivision shall present the
 36 county auditor's statement to the proper officers of the political
 37 subdivision.

38 SECTION 21. IC 6-1.1-17-3, AS AMENDED BY P.L.256-2003,
 39 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 3. (a) The proper officers of a political
 41 subdivision shall formulate its estimated budget and its proposed tax rate
 42 and tax levy on the form prescribed by the department of local
 43 government finance and approved by the state board of accounts. The
 44 political subdivision shall give notice by publication to taxpayers of:

- 45 (1) the estimated budget;

- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund;
- (4) the amount of the political subdivision's assessed valuation subtracted under section 0.5(d) of this chapter;** and
- ~~(4)~~ **(5)** the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing.

(b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(c) The trustee of each township in the county shall estimate the amount necessary to meet the cost of poor relief in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of poor relief. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township poor relief fund.

SECTION 22. IC 6-1.1-17-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. If a county auditor reduces a taxing unit's assessed valuation under section 0.5(d) of this chapter, the department of local government finance shall, in the manner prescribed in section 16 of this chapter, review the budget, tax rate, and tax levy of the taxing unit.**

SECTION 23. IC 6-1.1-17-16, AS AMENDED BY P.L.256-2003, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget, tax rate, or tax levy which the department reviews under section 8, **8.5**, or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the department of local government finance may review, revise, reduce, or increase the budget, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in subsection (j), before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget, tax rate, or tax levy under this section, the

1 department must hold a public hearing on the budget, tax rate, and tax
2 levy. The department of local government finance shall hold the hearing
3 in the county in which the political subdivision is located. The
4 department of local government finance may consider the budgets, tax
5 rates, and tax levies of several political subdivisions at the same public
6 hearing. At least five (5) days before the date fixed for a public hearing,
7 the department of local government finance shall give notice of the time
8 and place of the hearing and of the budgets, levies, and tax rates to be
9 considered at the hearing. The department of local government finance
10 shall publish the notice in two (2) newspapers of general circulation
11 published in the county. However, if only one (1) newspaper of general
12 circulation is published in the county, the department of local
13 government finance shall publish the notice in that newspaper.

14 (d) Except as provided in subsection (i), IC 6-1.1-19, or
15 IC 6-1.1-18.5, the department of local government finance may not
16 increase a political subdivision's budget, tax rate, or tax levy to an
17 amount which exceeds the amount originally fixed by the political
18 subdivision. The department of local government finance shall give the
19 political subdivision written notification specifying any revision,
20 reduction, or increase the department proposes in a political
21 subdivision's tax levy or tax rate. The political subdivision has one (1)
22 week from the date the political subdivision receives the notice to
23 provide a written response to the department of local government
24 finance's Indianapolis office specifying how to make the required
25 reductions in the amount budgeted for each office or department. The
26 department of local government finance shall make reductions as
27 specified in the political subdivision's response if the response is
28 provided as required by this subsection and sufficiently specifies all
29 necessary reductions. The department of local government finance may
30 make a revision, a reduction, or an increase in a political subdivision's
31 budget only in the total amounts budgeted for each office or department
32 within each of the major budget classifications prescribed by the state
33 board of accounts.

34 (e) The department of local government finance may not approve a
35 levy for lease payments by a city, town, county, library, or school
36 corporation if the lease payments are payable to a building corporation
37 for use by the building corporation for debt service on bonds and if:

- 38 (1) no bonds of the building corporation are outstanding; or
39 (2) the building corporation has enough legally available funds on
40 hand to redeem all outstanding bonds payable from the particular
41 lease rental levy requested.

42 (f) The department of local government finance shall certify its
43 action to:

- 44 (1) the county auditor; and
45 (2) the political subdivision if the department acts pursuant to an
46 appeal initiated by the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

(1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.

(2) If the department acts under an appeal initiated by taxpayers under section 13 of this chapter, a taxpayer who signed the petition under that section.

(3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in determining the levy; and

(3) published by the political subdivision according to a notice provided by the department.

(j) The department of local government finance shall annually review the budget of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget. A public hearing is not required in connection with this review of the budget."

Page 122, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 86. [EFFECTIVE UPON PASSAGE] (a)

IC 6-1.1-17-8.5, as added by this act, applies to property taxes first due and payable after December 31, 2003.

(b) The following, all as amended by this act, apply to property

1 **taxes first due and payable after December 31, 2003:**

2 **IC 6-1.1-1-3**

3 **IC 6-1.1-17-0.5**

4 **IC 6-1.1-17-1**

5 **IC 6-1.1-17-3**

6 **IC 6-1.1-17-16."**

7 Renumber all SECTIONS consecutively.

(Reference is to ESB 1 as printed December 2, 2003.)

Representative Welch